

Getting By or Getting Rich?

GETTING BY OR GETTING RICH?

*The Formal, Informal and Criminal Economy
in a Globalized World*

PIETRO SAITTA, JOANNA SHAPLAND,
AND ANTOINETTE VERHAGE (Eds.)

eləven
international publishing

Published, sold and distributed by Eleven International Publishing

P.O. Box 85576

2508 CG The Hague

The Netherlands

Tel.: 70 33 070 33

Fax: 70 33 070 30

e-mail: sales@budh.nl

www.elevenpub.com

Sold and distributed in USA and Canada

International Specialized Book Services

920 NE 58th Avenue, Suite 300

Portland, OR 97213-3786, USA

Tel: 1-800-944-6190 (toll-free)

Fax: 503-280-8832

orders@isbs.com

www.isbs.com

Eleven International Publishing is an imprint of Boom uitgevers Den Haag.

ISBN 978-94-6236-056-3

ISBN 978-94-6094-753-7

© 2013 The authors | Eleven International Publishing

This publication is protected by international copyright law.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher.

Printed in The Netherlands




TABLE OF CONTENTS




Just a Matter of Order? An Introduction to the Topic of Informal Economy	i
<i>Pietro Saitta</i>	



1 The Informal Economy and the Present Economic Crisis in Europe: Is There an Influence?	ii
<i>Jozef Pacolet and Frederic De Wispelaere</i>	
1.1 Introduction	11
1.2 A Need for a Broad View?	12
1.3 The Impact of the Crisis	13
1.4 Some Additional National Evidence	18
1.5 The Mechanism Behind These Processes	18
1.6 Belgium: Some Observations from a Micro Survey on Undeclared Work and Income (SUBLEC)	20
1.7 Summary and Some Policy Conclusions	23

2 Re-Hybridizing the Legal and the Criminal in All Activities at the Local, National and Global Levels: A 'Political Total Fact' in the 21st Century Neo-Liberal Frame	xx
<i>Salvatore Palidda</i>	
2.1 Introduction	30
2.2 Theoretical and Methodological Questions	32
2.3 The Frame	32
2.4 The Italian Case	34
2.5 The Success of Organized Crime Through Transnationalization	38
2.6 Crime and Financial War	40
2.7 Crime and Underground Economies	41
2.8 Crime and the Expansion of the Drug Market	42
2.9 Conclusion	44

3 A Theoretical Model for the Underground Economy	xxi
<i>Domenico Marino</i>	
3.1 Introduction	51
3.2 The Labour Market Underground Economy in Italy: Some Stylized Facts	52

3.3	A Model for Feedback Between the Underground Economy and State Intervention	55	
3.4	Some Concluding Considerations	57	
4	Illegal Markets in a Collapsing Economy <i>Effi Lambropoulou</i>		
4.1	Introduction	61	
4.2	Theoretical Context: 'The Parasite'	62	
4.3	Methods Used in Empirical Research	66	
4.4	Results: Immigration Inc.	67	
4.4.1	Accommodation and Work	67	
4.4.2	Contraband Goods and Travel Documents	69	
4.4.3	'Legal' Enterprises and Legitimate Business	70	
4.5	Neighbourhood Change Models and Disorganization	78	
4.6	Discussion	81	
4.6.1	Illegal Migration and Immigration 'Policy'	81	
4.6.2	Sliding into the Depths of Recession and Crime	83	
4.7	Conclusions	85	
5	Getting By in a Post-Fordian Age: Survival Strategies and Temporary Workers in the Sicilian Public Sector <i>Domenica Farinella</i>		
5.1	The Italian South, Between the Formal and Informal	95	
5.2	Marginal Workers and Survival Strategies	99	
5.3	Working in the Public Sector – The Circularity Between Formal and Informal	103	
5.4	The House as a Survival Strategy	109	
5.5	Conclusions	113	
6	Organized Crime, the Illegal Economy and 'Legal' Agents: Usury in Messina <i>Guido Signorino</i>		
6.1	Introduction	117	
6.2	Usury and the Rate of Interest: The Origins of the Economic Debate on Usury	119	
6.3	Further Aspects of the 'Economics of Usury': The 'Technology' of Debt Collection and the Role of Organized Crime	124	
6.4	Usury in the Area of Messina	127	
6.5	The 'Economics of Usury' in the Judicial Sentences of Messina	128	
6.6	Conclusions	135	

7	The Role of Organized Crime in Infrastructure Development: The Case of the Messina Bridge	cx 
	<i>Antonio Mazzeo</i>	
7.1	Introduction	139
7.2	That 40% Fee	140
7.3	The Status Symbol of the Financial Mafia	142
7.4	The Criminogenic Identity of Neo-Liberalism	144
8	The Illegal Wildlife Trade and Transnational Organized Crime	cx 
	<i>Edward van Asch</i>	
8.1	Introduction	147
8.2	Availability and Reliability of Data	149
8.3	Controlling the International Wildlife Trade	150
8.4	The Drivers of the Trade	151
8.5	The Illegal Wildlife Trade in Southeast Asia	153
8.6	Smuggling Routes and Trafficking Techniques	154
8.7	Transnational Organized Crime and the Illegal Wildlife Trade: A Wildlife Mafia?	155
8.8	Exploring the Links Between the Illegal Wildlife Trade and Other Transnational Crimes	158
8.9	Countering Transnational Crime and the Illegal Wildlife Trade: A Case for Further Study	159
8.10	Concluding Remarks	160
9	Governance Throughout the Flows: Case Study Research on the Illegal Tropical Timber Trade	clx 
	<i>Lieselot Bisschop</i>	
9.1	Introduction	167
9.2	The Theoretical Framework for Regulation and Governance	170
9.3	Methodology	174
9.4	Nodal Governance Analysis of the Tropical Timber Trade	175
9.4.1	Government Initiatives in Countries of Origin and Processing	175
9.4.2	Government Initiatives in Countries of Destination	177
9.4.3	Corporate Self-Regulation	183
9.4.4	NGO Pressure and Consumer Awareness	186
9.5	Networked Governance Analysis of Tropical Timber Flows	187
9.5.1	Multi-Stakeholder Initiatives	188
9.5.2	The Interaction between NGOs, Governments and Corporations	190
9.5.3	Lack of Data Gathering and Harmonization of Standards	192
9.5.4	The Lack of Value of Forests	193
9.6	Discussion	193

10	The Belgian Informal Economy: A Case Study of Seasonal Work in Fruit-Growing in South Limburg	
	<i>Dominique Boels</i>	
10.1	Introduction	201
10.2	Method	203
10.3	Results	204
10.4	Policies in Relation to Fruit-Growing	205
10.4.1	The Current Regulations	205
10.4.2	Enforcement	207
10.4.3	Evolution and Background Policy	208
10.5	The Different Shades of Fruit? Informality in Fruit Farming	209
10.5.1	Types of Informal Economic Activities	209
10.5.2	No or Late Declaration of Employment – Dimona: Undeclared Labour	210
10.5.3	Illegal Employment	213
10.5.4	Social Fraud	215
10.5.5	Go-Betweens	216
10.5.6	Human Smuggling	217
10.5.7	Exploitation	218
10.5.8	Rack-Renting	219
10.6	Impact of the Policies: Less Is More? More or Less	219
10.7	The Nature of Informal Economic Activity in Fruit Picking	222
10.8	Discussion	224
11	Informal Economy in Belgium's Hotel and Catering Sector: Survival Strategy and Crime Risk	
	<i>Noël Klima</i>	
11.1	Introduction	233
11.2	Methodology	236
11.3	The Belgian Hotel and Catering Industry	237
11.4	Fluctuations in Personnel and Informal Economy Labour	237
11.5	Companies' Approaches to Managing Low Profitability	240
11.6	Inadequate Tax and VAT Legislation	242
11.7	Accountants Facilitate the Informal Economy	243
11.8	Demanding Customers and Suppliers	245
11.9	Illegal Services and Supply	246
11.10	Informal Dispute Resolution	248
11.11	Food Is Attractive to Money Launderers	248
11.12	Infiltration of the Hotel and Catering Industry	249
11.13	Discussion and Conclusions	252

12 Dancing Around Drugs: Policing the Illegal Drug Markets of the Night-Time Economy in England and Wales

Matthew Bacon



12.1	Introduction	261
12.2	Drugs, the Night-Time Economy and Policing	263
12.3	Dealings with Drugs: Research Methodology	266
12.4	The Police on Drugs: A Cultural Perspective	267
12.4.1	Drugs	268
12.4.2	Drug Users	269
12.4.3	Drug Dealers	271
12.4.4	Drug Control	272
12.5	Drug Investigations: A Structural Perspective	274
12.5.1	Organizational Priorities	275
12.5.2	Operational Targets	276
12.6	Conclusion	278

13 Immigrant Vendors in Italy: Discursive Practices and Power Relationships

Tindaro Bellinvia






13.1	Security Practices	285
13.2	An Open and Supportive City	287
13.3	The Dark Side of Pisa	288
13.4	Illegal Street Vendors and the Protection of Urban Security	289
13.5	The Demonstration on 18 April 2009	290
13.6	The Crisis Fuels Fear and Racism	292
13.7	Intellectuals and Associations in Support of the Migrants	293
13.8	The Fine Line Between Legal and Illegal, Formal and Informal	295
13.9	A Suburb of Gomorra?	297
13.10	Security Perseverance	298

14 Prostitution in Times of Economic Crisis: Effects, Human Agency and Societal Responses

Nina Peršak



14.1	Introduction	305
14.2	The Characteristics of Prostitution as an Informal Economic Activity	306
14.3	The Effects of the Crisis and Accommodation to Them	310
14.4	Human Agency	312
14.5	Societal Responses	317
14.6	Conclusion	320

15	The Advantages and Attractions of Informality: Stripping Work Amongst Migrants and Students in the UK	ccc 
	<i>Teela Sanders</i>	
15.1	Introduction	327
15.2	The Study: The Striptease Industry in the UK	328
15.3	The Strip Industry: Is This Part of the Informal Sex Industries?	329
15.3.1	Finance	331
15.3.2	Working Environment	332
15.4	Students and Migrants as a Core Workforce	333
15.4.1	Students	333
15.4.2	Migrants	336
15.5	Advantages and Disadvantages of Informal Sex Work	338
15.5.1	Working at the Margins	338
15.5.2	Anti-Work: Identity, Lifestyle and Party-Time	340
15.5.3	Unpredictability, High Overheads, and Recession	340
15.6	Concluding Thoughts	342
16	The Informal Economy and Its Dilemmas in Latin America: The Case of Street Vendors in Porto Alegre, Brazil	ccc 
	<i>Diego Coletto</i>	
16.1	Premise	346
16.2	Informal Economy and Main Dilemmas	347
16.3	The Street Commerce in Latin America	349
16.4	The Street Commerce in Porto Alegre	351
16.5	A Note on Method	352
16.6	Practices to Occupy Public Spaces	353
16.7	Working Conditions in the <i>Camelodrómo</i> and Outside It	356
16.8	Organizing Street Vendors	361
16.9	Social Representations of Informality, Market and Grass- Roots Organizations	364
17	'Catch Me If You Can': Ambiguities and Complexities of Street Children (<i>Bashege</i>) of Kinshasa	ccc 
	<i>Maarten Hendriks, Paul Ponsaers and Joseph Mulamba Tshondo</i>	
17.1	Introduction	369
17.2	Methodology	371
17.2.1	Methods and Methodological Difficulties	371
17.2.2	<i>Shege</i> as a Category?	373
17.3	<i>Shege</i> Life	373
17.3.1	Ending Up on the Streets	373
17.3.2	Earning a Living	377
17.3.3	Abuse and Violence	378

17.4	Reunification or Social Reintegration Efforts	380
17.4.1	The NGO ORPER	380
17.4.2	Resistance Among the <i>Bashege</i>	384
17.4.3	Bedlam of NGOs in Kinshasa	386
17.5	Conclusion	386
18	Getting By or Getting Rich, or Simply Looking for a Better Life? The Informal Economy in Times of Economic Crisis	
	<i>Antoinette Verhage and Joanna Shapland</i>	cccl 
18.1	Developing Research on the Informal Economy	389
18.2	Key Themes: Choices of Work in a Time of Economic Crisis	390
18.2.1	Survival, Riches or a Lifestyle Choice?	390
18.2.2	The Potential Effects of Economic Austerity	392
18.2.3	How Long May It Take for Economic Austerity to Create a Social Infrastructure for the Informal Economy?	393
18.2.4	Changes in the World of Work and the Informal Economy	395
18.3	The Other Side: Formal Definers of Ways of Work and the Diverse Functions of the Informal Economy	395
18.3.1	Is the Informal Sector More Innovative or Entrepreneurial?	398
18.3.2	What About Governance?	400
18.4	Employers and Employees in the Informal Economy in a Time of Economic Austerity	401
	About the Authors	405